

**Senate File 261 - Introduced**

SENATE FILE 261  
BY CHELGREN

**A BILL FOR**

1 An Act exempting individuals of a certain age from the  
2 individual income tax, and including effective date and  
3 retroactive applicability provisions.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 422.5A Exempt individuals.

2        1. Notwithstanding any other provision of law to the  
3 contrary, an individual who is at least sixty-five years old  
4 on December 31 of the tax year shall be exempt from the taxes  
5 imposed under this division.

2. Notwithstanding any other provision of law to the contrary, an individual exempt from the taxes imposed under this division pursuant to subsection 1 shall not be required to make and file a return pursuant to section 422.13.

3. Notwithstanding any other provision of law to the contrary, a withholding agent, employer, or other person shall not be required to deduct and withhold any amounts as required in section 422.16 for or from an individual who is exempt from the taxes imposed under this division pursuant to subsection 1.

15       Sec. 2. Section 422.12, subsection 2, paragraph a,  
16 subparagraph (4), Code 2015, is amended by striking the  
17 subparagraph.

18       Sec. 3.   EFFECTIVE UPON ENACTMENT.   This Act, being deemed of  
19 immediate importance, takes effect upon enactment.

20       Sec. 4.   RETROACTIVE APPLICABILITY.   This Act applies  
21 retroactively to January 1, 2015, for tax years beginning on  
22 or after that date.

23 EXPLANATION

24 The inclusion of this explanation does not constitute agreement with  
25 the explanation's substance by the members of the general assembly.

26       This bill exempts any individual who is at least 65 years  
27 of age from the individual income tax. Exempt individuals are  
28 no longer required to make and file an income tax return and  
29 employers are no longer required to deduct and withhold wages  
30 from exempt individuals.

31 The bill takes effect upon enactment and applies  
32 retroactively to tax years beginning on or after January 1,  
33 2015.